

**STATEMENT OF INTENT CONCERNING
COOPERATION IN SUSTAINABLE ENERGY DEVELOPMENT
AND THE MITIGATION OF GREENHOUSE GASES
BETWEEN THE
REPUBLIC OF SOUTH AFRICA
AND THE
UNITED STATES OF AMERICA**

As the Government of the Republic of South Africa, and the Government of the United States of America ('hereafter referred to as 'the Participants') recognise that enhancing environmental protection and meeting the obligations towards the United Nations Framework Convention on Climate Change (UNFCCC) in particular (when decisions on such commitments are taken), would be mutually beneficial,

Noting the mechanism of Activities Implemented Jointly needs considerable clarification but it does hold potential in meeting the objectives of the UNFCCC,

Noting the agreement to enter a pilot phase (after it has been defined by the UNFCCC) of Activities Implemented Jointly at the First Conference of the Parties (COP 1) in Berlin,

THE PARTICIPANTS DECLARE THEIR INTENTION to investigate by pilot studies the feasibility of the development of projects which could achieve additional mitigation of climate change by addressing anthropogenic emissions by sources and removal by sinks in an environmentally sound and socially and economically equitable fashion. Such an investigation may be done, inter alia with regard to the deployment of greenhouse gas mitigation technologies; education and training programmes; diversification of energy sources; conservation, restoration and enhancement of natural carbon sinks; stabilisation, leading to the mitigation of climate change and other pollution; and the exchange of information regarding sustainable energy and land management technologies.

The Participants intend further to investigate by pilot studies the feasibility of the following possible forms of cooperation:

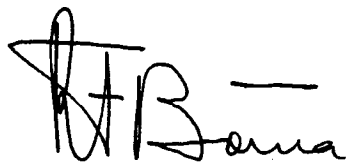
- a) the establishment of a mechanism within each Participant country, with the responsibility for project evaluation;
- b) the identification of projects by the Participants that are likely to meet the criteria of sustainable energy development and eventual mitigation of climate change;
- c) the design of methodologies and mechanisms to establish procedures for monitoring and external verification of greenhouse gas emissions and the tracking and attribution of such emissions;
- d) the outreach and promotion of sustainable energy development and greenhouse gas mitigation activities in private and government sectors, including dissemination of information and supporting technical assistance resources through workshops, conferences and information networks;
- e) the exploration of credible monitoring of emissions, especially the determination of reasonable greenhouse gas emission baselines at the project level.
- f) The identification of projects that may:
 - i encourage increased private sector involvement in sustainable energy development and projects on mitigation of climate change;
 - ii foster the establishment of continual financing methods that may help to establish mechanisms to assist private entrepreneurs to build successful enterprises that support energy, industrial, transport, development,

agriculture and forestry sector projects that achieve sustainable mitigation of climate change;

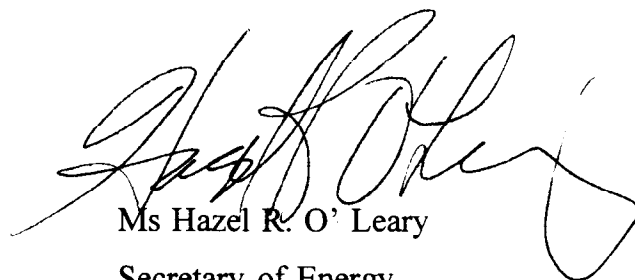
- iii provide information concerning additional sources of project funding and the policy framework needed to facilitate access to them; and
- iv provide information concerning arrangements of business agreements, joint ventures and licensing agreements between companies in their respective countries.

The Participants intend that any project undertaken pursuant to this Statement of Intent will be on terms accepted by all parties to the transaction. Furthermore, the Participants intend to include appropriate patent and other intellectual property rights provisions, as well as provisions to protect business confidential information, in any such plans or arrangements. In the event that any activity involves access to and the sharing or transfer of technology subject to patents or other intellectual property rights, such access and sharing or transfer should be provided on terms which recognize and are consistent with the adequate and effective protection of intellectual property rights.

Signed at Pretoria on this 5th day of December, 1995.



Mr R. F. (Pik) Botha
Minister of Mineral and Energy Affairs
Republic of South Africa



Ms Hazel R. O' Leary
Secretary of Energy
United States of America